



Morning Alert - Friday, July 27, 2018

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HEADLINES

Morning news

Most broadcasters led with forecasts that Typhoon Jongdari is likely to hit Japan over the weekend.

All national dailies other than Nikkei led with reports on the execution of all six former members of the AUM Shinrikyo cult who remained on death row following the execution of founder Shoko Asahara and six other members earlier this month. Nikkei gave top play to a report claiming that U.S. trade friction with China and other nations is having a negative impact on the performance of U.S. businesses.

INTERNATIONAL

Secretary Pompeo comments on DPRK at Senate hearing

Yomiuri reported on remarks made by Secretary of States Pompeo at the Senate Foreign Relations Committee on Wednesday, quoting him as saying that there has been no change in the goal of achieving the denuclearization of North Korea before President Trump's term ends in January 2021 and that the United States will not allow the process to drag out.

North Korean foreign minister to attend ASEAN meeting in Singapore

Asahi wrote that North Korean Foreign Minister Ri Yong Ho is making arrangements to attend an ASEAN Regional Forum meeting to be held in Singapore in early August. According to GOJ sources, Japan is looking into the possibility of having Foreign Minister Kono hold bilateral talks with Ri on the sidelines of the regional conference. The paper added that Japan is hoping to discuss the abduction issue in the bilateral talks.

Explosion occurs near U.S. Embassy in Beijing

All national dailies reported on an explosion that occurred outside the U.S. Embassy in Beijing at around 1 p.m. on Thursday. Chinese authorities arrested a 26-year-old man who detonated an explosive device there. The suspect was hospitalized with slight injuries but no one else was injured and there was no damage to embassy facilities. Earlier in the day the police took away a woman who poured gasoline on herself near the embassy in an apparent attempt to set herself on fire. It is unknown whether her attempted self-immolation was linked to the blast.

ECONOMY

USTR Lighthizer comments on possibility of holding trade talks with Japan in August

Mainichi wrote that U.S. Trade Representative Lighthizer reportedly stated at a Senate hearing on Thursday that the first round of the new trade talks with Japan will be held in the next 30 days. The paper wrote that the USTR reportedly said the U.S. position is that FTA talks should be held with Japan. The paper wrote that while stating that Washington and Tokyo have a very good relationship, the U.S. official reportedly pointed out that the United States has chronic trade deficits with Japan, adding that Japan maintains unfair trade barriers in such areas as beef. Nikkei wrote that Chief Cabinet Secretary Suga stressed at a press briefing on Thursday that both Japan and the United States will seek the expansion of trade and investment and economic development in a fair, free, and open Indo-Pacific.

U.S., EU agree to discuss tariffs, other trade barriers

All national dailies reported on talks held between President Trump and European Commission President Juncker in Washington on Wednesday. Asahi wrote that the two officials reportedly discussed trade issues and agreed to work toward eliminating tariffs and other trade barriers, adding, however, that although the agreement was intended to prevent escalation of the trade friction between the United States and the EU and to restore their strained relations, it remains to be seen whether Washington will forgo its plan to impose additional tariffs on autos.

Yomiuri wrote that the leaders of the United States and the EU agreed to launch new trade talks and that an escalation of trade friction between the two parties has been avoided for now because they will hold off on imposing further tariffs as long as negotiations continue. Pointing out that no concrete conclusion on auto trade was reached at the talks, the paper wrote that Japan is closely watching the future of U.S.-EU negotiations on auto tariffs.

Nikkei wrote that Japan is becoming increasingly concerned because it is unknown what demands the United States will make for the opening of Japan's agricultural market and auto trade.

Sankei speculated that the agreement was reached between the United States and the EU because President Trump appreciated the EU's decision to purchase more soybeans and other American farm products.

Tokyo Shimbun conjectured that in the upcoming bilateral talks on free, fair, and reciprocal trade with Japan, the USG is likely to press Tokyo to buy more American farm products by hinting at the imposition of additional duties on Japanese cars.

